

710G - DHS - Division of Medical Services

Interim Progress Report for the reporting period July 1, 2003 - December 31, 2003

Section I. Agency Update and Assessment

1. Emerging Issues at the Federal (National) or State level affecting the agency.

The temporary increase in FMAP will end June 30, 2004 thus increasing the state match percentage for SFY 2005.

2. Status of any new initiatives funded from General Revenue or General Improvement funds in the 2003 Legislative Sessions and other changes made through General Legislation.

No new initiatives.

3. Discuss significant factors internal and external to the agency affecting agency performance.

Nothing as of this date.

4. Provide comments on the usefulness and reliability of performance measures.

No comments at this time.

5. Discuss significant uses of line item flexibility in this report period (agencies operating under Performance-Based Appropriations only).

Not applicable.

Program 1: Administration

Goal 1: To provide administrative support for the Division of Medical Services.

Objective 1: To provide administrative services necessary to effectively carry out the State Medicaid Plan including planning, policy development and fiscal administration

Measure

| <u>Number</u> | <u>Performance Indicators</u> | <u>Annual Target</u> | <u>Actual YTD</u> | <u>Comments</u> |
|---------------|--|--|---|---|
| 1 | Number of Prior year audit findings repeated in subsequent audit. | 0 | 0 | |
| 2 | Consumer satisfaction rate per biannual survey | | N/A | |
| 3 | Continued Federal Approval | Yes | Yes | |
| 4 | Program savings including identification of overpayments and cost avoidance as a percentage of the costs of utilization review and TPL activities. | 100% | 161.22% | |
| 5 | Percentage of LTC Complaints Investigated within regulatory timeframes compared to total complaints. | 90% | 65% | See below |
| 6 | Percentage of agency performance measures met. | 90% | 68.12% | Several performance measures are based on unduplicated counts |
| 7 | Percentage of agency staff and budget in the Administration Program compared to total agency positions and budget. | 4%/19% with contract/4% without contract | 3.91%/15.71% with contract/3.96% without contract | |

Comments on performance matters related to Objective 1:

The goal for investigation of complaints within required timeframes has changed significantly by Federal mandate. Due to these mandates 70% of all complaints received during the reporting period must be investigated within 10 days. This requirement is impossible to achieve given the number of vacant nurse surveyor positions and the lack of certified surveyor personnel needed to investigate complaints within required timeframes. It is suggested that the goal be adjusted to 65% each year.

Program 1: Administration

Goal 1: To provide administrative support for the Division of Medical Services.

Objective 2: To provide quality an accurate DMS Management Information Systems platform, information technology, and support services to maximize system accessibility for DMS staff and providers

Measure

| <u>Number</u> | <u>Performance Indicators</u> | <u>Annual Target</u> | <u>Actual YTD</u> | <u>Comments</u> |
|---------------|---|----------------------|-------------------|---|
| 1 | Continued Federal Approval of the MMIS | Yes | Yes | |
| 2 | Number of agency proprietary systems maintained by agency staff or maintained through contractual services. | 1 | 1 | |
| 3 | Agency information technology budget as a percent of total agency budget. | 55% | 16.48% | Actual is based on actual expenditures as a percentage of agency budget. Agency actual was not available at time of report. |

Comments on performance matters related to Objective 2:

Program 1: Administration

Goal 1: To provide administrative support for the Division of Medical Services.

Objective 3: To continue to implement Utilization Review and Field Audit Activities to insure compliance with federal and state regulations and policy, monitor the quality of services delivered, authorize necessary medical services, and identify possible fraud and abuse

Measure

| <u>Number</u> | <u>Performance Indicators</u> | <u>Annual Target</u> | <u>Actual YTD</u> | <u>Comments</u> |
|---------------|---|----------------------|-------------------|-----------------|
| 1 | Recipient participation as a percentage of the total Medicaid program enrollees | 81% | 93.77% | |
| 2 | Percent of counties with Primary Care Physician (PCP) to provide services to enrollees. | 100% | 100% | |
| 3 | Percentage of prior approvals completed for program services requiring prior approval | 100% | 100% | |

Comments on performance matters related to Objective 3:

Program 1: Administration

Goal 1: To provide administrative support for the Division of Medical Services.

Objective 4: To ensure that the health and safety of the public is promoted and safeguarded through proper licensing, certification and oversight of Long-Term Care facilities

Measure

| <u>Number</u> | <u>Performance Indicators</u> | <u>Annual Target</u> | <u>Actual YTD</u> | <u>Comments</u> |
|---------------|---|----------------------|-------------------|-----------------|
| 1 | Percentage of LTC Facilities Surveyed annually in accordance with regulations compared to total LTC facilities. | 82% | 55.30% | |

Comments on performance matters related to Objective 4:

Program 2: Prescription Drugs

Goal 1: To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

Objective 1: To provide eligible recipients in the prescription Drug Program with necessary prescriptions while assuring improved pharmaceutical cost controls measures

Measure

| <u>Number</u> | <u>Performance Indicators</u> | <u>Annual Target</u> | <u>Actual YTD</u> | <u>Comments</u> |
|---------------|---|----------------------|-------------------|-----------------|
| 1 | Percentage of Recipients receiving medically necessary prescriptions | 100% | 100% | |
| 2 | Percentage of Drug Rebates compared to total prescription drug expenditures | 17% | 18.70% | |
| 3 | Percentage of prescription drugs filled with generic drugs. | 48% | 45.60% | |

Comments on performance matters related to Objective 1:

Program 2: Prescription Drugs

Goal 1: To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

Objective 2: To provide eligible recipients in the ARKids First Program with necessary prescriptions while assuring improved pharmaceutical cost controls measures

Measure

| <u>Number</u> | <u>Performance Indicators</u> | <u>Annual Target</u> | <u>Actual YTD</u> | <u>Comments</u> |
|---------------|---|----------------------|-------------------|-----------------|
| 1 | Percentage of Recipients receiving medically necessary prescriptions | 100% | 100% | |
| 2 | Percentage of Drug Rebates compared to total prescription drug expenditures | 17% | 18.70% | |
| 3 | Percentage of prescription drugs filled with generic drugs. | 48% | 36.92% | |

Comments on performance matters related to Objective 2:

Program 2: Prescription Drugs

Goal 1: To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

Objective 3: To provide eligible recipients under the prescription drug waiver for the elderly with necessary prescriptions while assuring improved pharmaceutical cost controls measures

Measure

| <u>Number</u> | <u>Performance Indicators</u> | <u>Annual Target</u> | <u>Actual YTD</u> | <u>Comments</u> |
|---------------|---|----------------------|-------------------|-----------------|
| 1 | Percentage of Recipients receiving medically necessary prescriptions | 100% | Not Implemented | |
| 2 | Percentage of Drug Rebates compared to total prescription drug expenditures | 17% | Not Implemented | |
| 3 | Percentage of prescription drugs filled with generic drugs. | 48% | Not Implemented | |

Comments on performance matters related to Objective 3:

Program 3: Long Term Care

Goal 1: To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

Objective 1: To provide appropriate Medicaid reimbursement for residents of Public Nursing Home facilities

| <u>Measure Number</u> | <u>Performance Indicators</u> | <u>Annual Target</u> | <u>Actual YTD</u> | <u>Comments</u> |
|-----------------------|--|----------------------|-------------------|---|
| 1 | Average Monthly recipient Caseload - Public Nursing Homes | 1660 | 1,465 | Target and interim is Unduplicated count, not average monthly |
| 2 | Average Monthly cost per Medicaid eligible client - Public Nursing Homes | 6122 | \$6,169 | |

Comments on performance matters related to Objective 1:

Program 3: Long Term Care

Goal 1: To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

Objective 2: To provide appropriate Medicaid reimbursement for residents of Private Nursing Home facilities

| <u>Measure Number</u> | <u>Performance Indicators</u> | <u>Annual Target</u> | <u>Actual YTD</u> | <u>Comments</u> |
|-----------------------|---|----------------------|-------------------|---|
| 1 | Average Monthly recipient Caseload - Private Nursing Homes | 20036 | 16,357 | Target and interim is Unduplicated count, not average monthly |
| 2 | Average Monthly cost per Medicaid eligible client - Private Nursing Homes | 1919 | \$2,023 | |

Comments on performance matters related to Objective 2:

Program 3: Long Term Care

Goal 1: To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

Objective 3: To provide appropriate Medicaid reimbursement for residents of Intermediate Care Facilities for The Mentally Retarded and Infant Infirmaries

Measure

| <u>Number</u> | <u>Performance Indicators</u> | <u>Annual Target</u> | <u>Actual YTD</u> | <u>Comments</u> |
|---------------|--|----------------------|-------------------|---|
| 1 | Average Monthly recipient Caseload - ICF/MR | 575 | 547 | Target and interim is Unduplicated count, not average monthly |
| 2 | Average Monthly cost per Medicaid eligible client - ICF/MR | 5053 | \$5,065 | |

Comments on performance matters related to Objective 3:

Program 4: Hospital/Medical Services

Goal 1: To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

Objective 1: To improve access to Inpatient Hospital services for Arkansas Medicaid eligibles and to continue to explore, develop and evaluate options for providing health care in the least restrictive environment

Measure

| <u>Number</u> | <u>Performance Indicators</u> | <u>Annual Target</u> | <u>Actual YTD</u> | <u>Comments</u> |
|---------------|--|----------------------|-------------------|-----------------|
| 1 | Percentage of Medicaid eligible participants enrolled in the Arkansas ConnectCare Managed Care Program | 100% | 100% | |
| 2 | Participation as a percentage of program budget | 100% | 90.59% | |
| 3 | Continued federal state plan approval | Yes | Yes | |
| 4 | Continued access to the ConnectCare primary care network of 1800 providers enrolled in the Medicaid Program | 100% | 100% | |
| 5 | Percentage of rates set according to the reimbursement methodology in the federally approved Medicaid State Plan | 100% | 100% | |
| 6 | Percent of Program Eligibles receiving Inpatient Hospital Services | 16% | 8.13% | |

Comments on performance matters related to Objective 1:

Program 4: Hospital/Medical Services

Goal 1: To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

Objective 2: To improve access to Mental Health services for Arkansas Medicaid eligibles and to continue to explore, develop and evaluate options for providing health care in the least restrictive environment

| Measure Number | Performance Indicators | Annual Target | Actual YTD | Comments |
|-------------------|--|---------------|------------|----------------|
| 1 | Percentage of Medicaid eligible participants enrolled in the Arkansas ConnectCare Managed Care Program | 100% | 100% | |
| 2 | Participation as a percentage of program budget | 100% | 90.59% | |
| 3 | Continued federal state plan approval | Yes | Yes | |
| 4 | Continued access to the ConnectCare primary care network of 1800 providers enrolled in the Medicaid Program | 100% | 100% | |
| 5 | Percentage of rates set according to the reimbursement methodology in the federally approved Medicaid State Plan | 100% | 100% | |
| 6 | Percent of Program Eligibles receiving Mental Health Services | 12.4% | 6.52% | See note below |

Comments on performance matters related to Objective 2:

In completing this interim report, it was determined that the targets for item 6 above were established using data that duplicated one segment of the Mental Health recipient population. Due to this error, DMS requests that the targets for this performance measure be revised to the percentages as follows:

| | | | | | |
|-------|-------|-------|-------|-------|-------|
| 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| 7.93% | 8.17% | 8.41% | 8.66% | 8.92% | 9.19% |

Program 4: Hospital/Medical Services

Goal 1: To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

Objective 3: To improve access to Outpatient Hospital services for Arkansas Medicaid eligibles and to continue to explore, develop and evaluate options for providing health care in the least restrictive environment

| <u>Measure Number</u> | <u>Performance Indicators</u> | <u>Annual Target</u> | <u>Actual YTD</u> | <u>Comments</u> |
|-----------------------|--|----------------------|-------------------|-----------------|
| 1 | Percentage of Medicaid eligible participants enrolled in the Arkansas ConnectCare Managed Care Program | 100% | 100% | |
| 2 | Participation as a percentage of program budget | 100% | 91% | |
| 3 | Continued federal state plan approval | Yes | Yes | |
| 4 | Continued access to the ConnectCare primary care network of 1800 providers enrolled in the Medicaid Program | 100% | 100% | |
| 5 | Percentage of rates set according to the reimbursement methodology in the federally approved Medicaid State Plan | 100% | 100% | |
| 6 | Percent of Program Eligibles receiving Outpatient Hospital Services | 38.2% | 28.27% | |

Comments on performance matters related to Objective 3:

Program 4: Hospital/Medical Services

Goal 1: To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

Objective 4: To improve access to Other Care Services for Arkansas Medicaid eligibles and to continue to explore, develop and evaluate options for providing health care in the least restrictive environment

| Measure | | | | |
|---------------|--|----------------------|-------------------|-----------------|
| <u>Number</u> | <u>Performance Indicators</u> | <u>Annual Target</u> | <u>Actual YTD</u> | <u>Comments</u> |
| 1 | Percentage of Medicaid eligible participants enrolled in the Arkansas ConnectCare Managed Care Program | 100% | 100% | |
| 2 | Participation as a percentage of program budget | 100% | 90.59% | |
| 3 | Continued federal state plan approval | Yes | Yes | |
| 4 | Continued access to the ConnectCare primary care network of 1800 providers enrolled in the Medicaid Program | 100% | 100% | |
| 5 | Percentage of rates set according to the reimbursement methodology in the federally approved Medicaid State Plan | 100% | 100% | |
| 6 | Percent of Program Eligibles receiving Other Care Services | 74% | 63.25% | |

Comments on performance matters related to Objective 4:

Program 4: Hospital/Medical Services

Goal 1: To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

Objective 5: To improve access to Waiver services for Arkansas Medicaid eligibles and to continue to explore, develop and evaluate options for providing health care in the least restrictive environment

Measure

| <u>Number</u> | <u>Performance Indicators</u> | <u>Annual Target</u> | <u>Actual YTD</u> | <u>Comments</u> |
|---------------|--|----------------------|-------------------|-----------------|
| 1 | Percentage of Medicaid eligible participants enrolled in the Arkansas ConnectCare Managed Care Program | 100% | 100% | |
| 2 | Participation as a percentage of program budget | 100% | 91% | |
| 3 | Continued federal state plan approval | Yes | Yes | |
| 4 | Continued access to the ConnectCare primary care network of 1800 providers enrolled in the Medicaid Program | 100% | 100% | |
| 5 | Percentage of rates set according to the reimbursement methodology in the federally approved Medicaid State Plan | 100% | 100% | |
| 6 | Recipients served by Home and Community Based Waivers | 13824 | 11,470 | |

Comments on performance matters related to Objective 5:

Program 4: Hospital/Medical Services

Goal 1: To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

Objective 6: To provide eligible recipients in the ARKids First B and SCHIP Program with access to health care services and to continue to explore, develop and evaluate options for providing health care in the least restrictive environment

| <u>Measure Number</u> | <u>Performance Indicators</u> | <u>Annual Target</u> | <u>Actual YTD</u> | <u>Comments</u> |
|-----------------------|--|----------------------|-------------------|-----------------|
| 1 | Percentage of Medicaid eligible participants enrolled in the Arkansas ConnectCare Managed Care Program | 100% | 100% | |
| 2 | Participation as a percentage of program budget | 100% | 96.28% | |
| 3 | Continued federal state plan approval | Yes | Yes | |
| 4 | Continued access to the ConnectCare primary care network of 1800 providers enrolled in the Medicaid Program | 100% | 100% | |
| 5 | Percentage of rates set according to the reimbursement methodology in the federally approved Medicaid State Plan | 100% | 100% | |
| 6 | Percent of ARKids First B and SCHIP Program Eligibles receiving Services | 88% | 87.93% | |

Comments on performance matters related to Objective 6:

Program 5: Tobacco Settlement Medicaid Expansion Program

Goal 1: To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

Objective 1: To provide expanded Medicaid coverage and benefits to pregnant women

| <u>Measure Number</u> | <u>Performance Indicators</u> | <u>Annual Target</u> | <u>Actual YTD</u> | <u>Comments</u> |
|-----------------------|--|----------------------|-------------------|-----------------|
| 1 | Unduplicated number of pregnant women receiving services provided under the Tobacco Settlement | 2050 | 1,116 | |
| 2 | Continued federal state plan approval | Yes | Yes | |
| 3 | Percent of administrative costs & positions compared total program costs | 0.5% | 0.57% | |

Comments on performance matters related to Objective 1:

Program 5: Tobacco Settlement Medicaid Expansion Program

Goal 1: To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

Objective 2: To provide expanded inpatient hospital benefits to adults aged nineteen (19) to sixty-four (64).

| Measure Number | Performance Indicators | Annual Target | Actual YTD | Comments |
|-------------------|---|---------------|------------|----------|
| 1 | Unduplicated number of adults receiving expanded inpatient services provided under the Tobacco Settlement | 44500 | 18,375 | |
| 2 | Continued federal state plan approval | Yes | Yes | |
| 3 | Percent of administrative costs & positions compared total program costs | 0.5% | 0.57% | |

Comments on performance matters related to Objective 2:

Program 5: Tobacco Settlement Medicaid Expansion Program

Goal 1: To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

Objective 3: To provide expanded coverage and benefits to adults aged sixty-five (65) and over.

| <u>Measure Number</u> | <u>Performance Indicators</u> | <u>Annual Target</u> | <u>Actual YTD</u> | <u>Comments</u> |
|-----------------------|--|----------------------|-------------------|-----------------|
| 1 | Unduplicated number of adults aged 65 and over receiving expanded services provided under the Tobacco Settlement | 2800 | 2,647 | |
| 2 | Continued federal state plan approval | Yes | Yes | |
| 3 | Percent of administrative costs & positions compared total program costs | 0.5% | 0.57% | |

Comments on performance matters related to Objective 3:

Program 5: Tobacco Settlement Medicaid Expansion Program

Goal 1: To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

Objective 4: To create and provide a limited benefit package of Medicaid coverage and benefits to adults aged nineteen (19) to sixty-four(64).

Measure

| <u>Number</u> | <u>Performance Indicators</u> | <u>Annual Target</u> | <u>Actual YTD</u> | <u>Comments</u> |
|---------------|---|----------------------|-------------------|-----------------|
| 1 | Continued federal state plan approval | Yes | Not Implemented | |
| 2 | Percent of administrative costs & positions compared total program costs | 0.5% | Not Implemented | |
| 3 | Unduplicated number of adults aged 19-64 receiving a limited benefit package through the Tobacco Settlement | not implemented | Not Implemented | |

Comments on performance matters related to Objective 4: